

## Message Text

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41

ACTION ARA-10

INFO OCT-01 SS-14 ISO-00 L-02 EB-03 COME-00 TRSE-00 INT-01

NSC-07 NSCE-00 CIAE-00 INR-10 NSAE-00 RSC-01 DRC-01

SSO-00 INRE-00 /050 W

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O 241757Z MAY 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 0204

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LIMDIS

E.O. 11652: N/A

TAGS: EIND, EMIN, EFIN, PE

SUBJECT: SOUTHERN PERU COPPER CORP. (SPCC) NEGOTIATIONS

REF: LIMA 4010

1. ARCHIBALD CALLED ON DCM MORNING MAY 24. HE SAID HE HAD MET WITH MINISTER OF ENERGY AND MINES FERNANDEZ MALDONADO THE DAY BEFORE (MAY 23) AND THAT MINISTER HAD BEEN MORE CORDIAL THAN AT ANY TIME IN ARCHIBALD'S PREVIOUS DEALINGS WITH HIM. ARCHIBALD ASKED MINISTER IF SPCC'S RESPONSE TO MINISTER'S FIVE-POINT DEMAND CONTAINED IN HIS LETTER OF APRIL 10 TO MINEROPERU (LIMA 3468, 3590 AND 3610) HAD SATISFACTORILY MET MINISTRY'S REQUIREMENTS. MINISTER RESPONDED "ONE HUNDRED PERCENT". ARCHIBALD THEN SAID THAT, IF THIS WERE THE CASE, WHY HAD MINEROPERU BEEN DILATORY DURING PAST WEEK IN MEETING WITH SPCC. IN RESPONSE MINISTER ORDER PERSONAL MEMORANDUM BE SENT IMMEDIATELY TO MINEROPERU TO ACCORD SPCC NEGOTIATIONS HIGHEST PRIORITY. ARCHIBALD THEN ASKED WHETHER SPCC'S LONG-TERM SALES CONTRACTS, AS PRESENTLY ENVISAGED, MET GOP'S APPROVAL, TO WHICH MINISTER AGAIN RESPONDED "ONE HUNDRED PERCENT". IN RESPONSE ARCHIBALD'S COMMENT THAT HE HOPED TO HAVE ALL CONTRACTS SIGNED BY END OF JUNE, MINISTER SAID HE WISHED

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TO SEE THEM SIGNED BY JUNE 15 AS HE IS DEPARTING FOR ANOTHER

TRIP ABROAD AND WANTED ALL DETAILS TO BE COMPLETED BEFORE HE LEAVES.

2. COMMENT AND ACTION REQUESTED: ARCHIBALD APPEARED VERY OPTIMISTIC AND SEEMED CONFIDENT THAT MINISTER (AND CABINET) WERE IN FACT SATISFIED WITH SPCC'S PROPOSALS AND WOULD USE BEST EFFORTS TO BRING NEGOTIATIONS TO RAPID CONCLUSION. ARCHIBALD BELIEVES THAT MINEROPERU'S DILATORY BEHAVIOR IS ATTRIBUTABLE ONLY TO LACK OF EXPERIENCE IN NEGOTIATING SUCH CONTRACTS AND CONSEQUENT FEAR OF MAKING MISTAKES. ARCHIBALD SAID THAT HE HAD PROMISED BARBER OF ASARCO THAT HE WOULD ADVISE HIM OF PROGRESS BUT THAT HE WAS HESITANT TO DO SO VIA OPEN COMMERCIAL CHANNELS. HE ASKED US TO REQUEST DEPARTMENT (ARA/EP-FRECHETTE) TO TELEPHONE BARBER TO INFORM HIM OF FOREGOING.  
DEAN

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NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, COPPER, MEETINGS, INDUSTRIAL PLANTS, NEGOTIATIONS, PROPOSALS (BID), CONTRACTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 MAY 1974  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974LIMA04065  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740130-0986  
**From:** LIMA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740520/aaaaarlc.tel  
**Line Count:** 77  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** LIMA 4010  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19 SEP 2002 by rowelle0>; APPROVED <10 JAN 2003 by garlanwa>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SOUTHERN PERU COPPER CORP. (SPCC) NEGOTIATIONS  
**TAGS:** EIND, EMIN, EFIN, PE, SOUTHERN PERU COPPER CORPORATION, SPCC, (ARCHIBALD)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005